

Message Text

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ACTION EUR-25

INFO OCT-01 EA-11 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03

LAB-06 NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02

SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03

OMB-01 DRC-01 /204 W

----- 002788

R 141452Z DEC 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 6478

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION OECD PARIS

UNCLAS LONDON 14762

E.O. 11652: N/A

TAGS: ETRD, EEC, UK

SUBJECT: PROPOSALS BY THE CONFEDERATION OF BRITISH
INDUSTRY ON THE MTN

REF: LONDON A-1340

1. THE CONFEDERATION OF BRITISH INDUSTRY HAS FORWARDED
TO THE BRITISH GOVERNMENT A SERIES OF RECOMMENDATIONS
ON THE MAIN ISSUES IN THE MULTILATERAL TRADE

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NEGOTIATIONS. THE RECOMMENDATIONS ARE CONTAINED IN A
PAPER THAT WAS APPROVED BY THE CBI'S GOVERNING COUNCIL

ON NOVEMBER 21. WE ARE FORWARDING THE TEXT BY AIRGRAM.
THE PAPER IS BASED ON THE CBI STAFF STUDY WHICH WE
FORWARDED WITH THE REFERENCED AIRGRAM.

2. WITH REGARD TO TARIFFS, THE CBI RECOMMENDS A
COMBINATION OF A REDUCTION OF DUTIES AND HARMONIZATION.
IN ORDER TO ACHIEVE RECIPROCITY, THE CBI SUGGESTS THE
FOLLOWING FORMULA: "THE HIGHER THE TARIFF, THE DEEPER
THE CUT." THE HIGH US TARIFFS, IT SAYS, WOULD BE
BROUGHT DOWN BY A SUBSTANTIAL AMOUNT, WHILE THE LOW ONES
WOULD BE LEFT UNTOUCHED. THE COMMUNITY'S TARIFF, ON
THE OTHER HAND, WOULD MOVE DOWN BY A "MODEST AMOUNT"
ON MOST ITEMS. THE CBI BELIEVES THAT SECTOR-BY-SECTOR
BARGAINING WOULD BE A USEFUL WAY TO ELIMINATE SOME
TARIFF DISPARITIES.

3. ON NTB'S, THE CBI HAS FOUND THAT BRITISH INDUSTRY
IS ESPECIALLY INTERESTED IN NEGOTIATIONS ON THE
FOLLOWING: CUSTOMS VALUATION PROCEDURES, QUOTA
RESTRICTIONS, LICENSING PROCEDURES, EXPORT SUBSIDIES,
ADMINISTRATIVE PROCEDURES FOR IMPORTS AND ANTI-DUMPING
PROCEDURES. BRITISH INDUSTRY IS SCEPTICAL THAT
SUCCESSFUL NEGOTIATIONS CAN TAKE PLACE ON THE PROBLEM
OF GOVERNMENT PROCUREMENT.

4. ON SAFEGUARDS, CBI RECOMMENDS A CHANGE IN THE GATT
RULES SO THAT SAFEGUARDS CAN BE APPLIED SELECTIVELY
WHEN THE INVOKING NATION CAN SHOW THAT IMPORTS FROM A
CERTAIN SOURCE ARE THE MOST IMPORTANT SINGLE CAUSE OF
INJURY. GATT WOULD ESTABLISH A PANEL OF MEDIATORS, AND
RETALIATORY MEASURES WOULD ONLY BE TAKEN WHEN USE OF
THIS CONCILIATION MACHINERY HAD BEEN EXHAUSTED. THE
CBI RECOMMENDS CONTINUATION OF VOLUNTARY RESTRAINT
ARRANGEMENTS AT LEAST UNTIL THE NEW GATT MACHINERY
DEMONSTRATES THAT IT IS EFFECTIVE. THE CBI ALSO
BELIEVES THAT LONG-TERM INTERNATIONAL ARRANGEMENTS WILL
BE NEEDED FOR CERTAIN ITEMS (E.G. TEXTILES). THE CBI
DOES NOT CONSIDER THAT A GENERAL ADJUSTMENT ASSISTANCE
SCHEME IS APPROPRIATE FOR THE UK.

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5. WITH REGARD TO AGRICULTURE, THE CBI RECOMMENDS
INTERNATIONAL COMMODITY ARRANGEMENTS FOR CEREALS AND
DAIRY PRODUCTS. A CODE OF GOOD CONDUCT COULD BE A WAY
OF ELIMINATING EXPORT SUBSIDIES AND IMPORT QUOTAS.
USEFUL CONCESSIONS THAT COULD BE MADE BY THE EC WOULD,
ACCORDING TO THE CBI, INCLUDE REDUCED LEVY OR LEVY-FREE
IMPORT QUOTAS INTO THE EC OF HARD WHEAT AND MAIZE, AND
A BINDING BY THE COMMUNITY NOT TO IMPOSE LEVIES ON NON-
CEREAL SUBSTITUTES USED IN COMPOUND FEEDS.

6. THE CBI RECOMMENDS EXPANSION OF THE UK'S TRADE WITH JAPAN, BUT SAYS THAT THIS EXPANSION MUST BE "BALANCED AND HARMONIOUS." ON GENERALIZED PREFERENCES, IT NOTES THAT EXISTING SCHEMES HAVE LED TO DISRUPTION IN SOME DONOR COUNTRIES WHEN PREFERENCES HAVE BEEN GRANTED TO ADVANCED MEMBERS OF THE THIRD WORLD THAT HAVE FULLY-COMPETITIVE INDUSTRIES.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURE, TRADE, EXPORTS, INDUSTRY, TARIFF NEGOTIATIONS, BALANCE OF PAYMENTS, CUSTOMS ADMINISTRATION
Control Number: n/a
Copy: SINGLE
Draft Date: 14 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973LONDON14762
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731225/aaaaarzi.tel
Line Count: 125
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: LONDON A-1340
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 09 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09-Aug-2001 by thomasv0>; APPROVED <23-Aug-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROPOSALS BY THE CONFEDERATION OF BRITISH INDUSTRY ON THE MTN
TAGS: ETRD, UK, EEC, GATT
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005